

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 97-451

May 13, 1998

BANGOR HYDRO-ELECTRIC COMPANY
Petition for Approval of Electric Rate
Stabilization Agreement

ORDER

WELCH, Chairman; NUGENT and HUNT, Commissioners

SUMMARY OF DECISION

In this Order, we approve the Stipulation filed by Bangor Hydro-Electric Company (BHE) regarding certain changes to its electric rate stabilization project with the Penobscot Energy Recovery Company (PERC).

DISCUSSION

On August 27, 1997, the Commission issued an Order (Part I) in the above-captioned matter, granting a certificate of approval for Bangor Hydro-Electric Company's proposed electric rate stabilization project with the Penobscot Energy Recovery Company. The Commission modified and further developed the conditions governing the certificate of approval in subsequent orders dated September 17, 1997 and October 10, 1997. The electric rate stabilization project is in the form of a three-way agreement (Agreement) among BHE, PERC and the Municipal Review Committee (MRC). The Commission originally conditioned its approval of the Agreement on commitments by municipalities to provide 175,000 tons of waste per year at tipping fees comparable to what existing agreements would yield. In its September 17 Order on Reconsideration, the Commission reduced the tonnage requirement to 101,000 per year and further conditioned the certificate of approval so as to guarantee 155,000 tons per year of waste deliveries to PERC.

On December 31, 1997, BHE, PERC and the MRC executed a revised Agreement. The revisions: (1) require BHE to pre-pay \$160,000 in interest costs at closing; and (2) allow PERC to terminate the Agreement if municipalities representing 25% or more of the guaranteed waste tonnage decide not to participate. On April 29, 1998, BHE filed a Stipulation accompanied by the revised Agreement.¹ The Stipulation describes and explains the revised Agreement and provides that the Commission may find that

¹The parties to the Stipulation are BHE, the Public Advocate, the MRC, the City of Ellsworth and the Town of Pittsfield.

the revisions do not impair or modify the certificate of approval granted for this electric rate stabilization project. According to BHE, counsel for the Finance Authority of Maine has asked for such assurance. All parties either have signed or do not oppose the Stipulation.

The provisions added to the Agreement we previously approved, as described in the Stipulation and reflected in the Agreement dated December 31, 1997, do not materially change the benefits of the electric rate stabilization project and are consistent with the conditions upon which we have based our approval.

Accordingly, we

O R D E R

1. That the April 29, 1998 Stipulation Regarding Supplemental Order, attached hereto, is approved; and

2. That the certificate of approval issued pursuant to 35-A M.R.S.A. § 3156 in this docket is applicable to the December 31, 1997 Agreement among BHE, PERC and the MRC.

Dated at Augusta, Maine this 13th day of May, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Hunt

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note:The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.